

**A BILL
FOR AN ACT ENTITLED
"THE FAMILY LAND ENTITLEMENT ACT"**

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:

*** Section 1.** As 38 is amended by adding a new chapter to read:

CHAPTER 14. ALASKA FAMILY LAND ENTITLEMENT ACT.

Sec. 38.14.010. SALE AND LEASE OF STATE LAND; EXEMPTION.

(a) Notwithstanding any other provision of this title, the commissioner shall sell and lease state land as provided in this chapter until at least one-third of all land in state ownership as of the effective date of this Act has been sold or leased under this chapter. Two-thirds of state lands shall remain in state ownership as a protection of the environment and for future generations of Alaskans.

(b) Land may not be selected by the department for auction under AS 38.14.050 or otherwise sold or leased under this chapter unless it is unclassified under AS 38.05.300 or, if classified, it is classified as agricultural, forest, grazing, resource management, settlement, or wildlife habitat land.

(c) The selection of land by the department for auction under AS 38.14.050 and the disposal of land by sale or lease under this chapter is exempt from the requirements of AS 38.04 and AS 38.05. The department shall provide prior public notice as required under the state constitution for disposals or leases of state land.

Sec. 38.14.020. SALES AND LEASES SUBJECT TO EXISTING LEASES; COMMISSIONER MAY NOT CONVEY MINERAL OR RESOURCE RIGHTS. (a) A sale or lease of land under this chapter is subject to an existing lease entered into by the department before the sale or lease of land. A lease affecting land sold or leased by the

state under this chapter is subject to renewal or extension as approved in the terms of the lease or the law under which the lease was issued.

(b) In a sale or lease of land under this chapter, the commissioner may not convey a mineral or resource right that the state is required to maintain under a law of this state or of the United States. A sale or lease of land under this chapter must provide for access to these mineral or resources by the state or a lessee or other designee of the state.

Sec. 38.14.030. ELIGIBILITY TO PURCHASE OR LEASE LAND. A person may not purchase or lease land under this chapter unless the person

(1) is a resident of the state under AS 01.10.055 and has been a resident of the state for one year;

(2) is an individual who is at least 18 years of age at the time of the purchase or lease;

(3) at the time of purchase or lease, on a form that may be provided by the department that bears a notification that a false statement is punishable under AS 11.56.210, the person certifies that the person

(A) meets the eligibility requirements of this section and AS 38.14.040;

(B) understands that the state or a political subdivision of the state is not required to provide on-site schools for the land to be acquired and that the person may not require the state to provide on-site schools;

(C) understands that the state is not required to construct or maintain roads to the land to be acquired and that the person may not require the state to construct or maintain roads to the land to be acquired; and

(D) will take good care of the property and of the environment to the best of the person's ability.

Sec. 38.14.040. MAXIMUM ENTITLEMENT TO PURCHASES OR LEASES.

(a) During the person's lifetime, a person may purchase or lease a cumulative maximum of 160 acres from the state under this chapter. Except as provided in (b) of this section, the 160 acre limit applies whether or not the person retains ownership of or a leasehold interest in the land originally purchased or leased.

(b) Notwithstanding the 160 acre limit under (a) of this section, if a person returns the land to the state, terminates a lease of land from the state, or otherwise provides clear title to the state of land purchased or leased under this chapter, the acreage returned, formerly leased, or otherwise relinquished to the state may be replaced, in whole or in part, by purchase or lease under this chapter.

(c) Under regulations adopted by the department, the commissioner may reduce the acreage credit allowed under (b) of this section to compensate the state for diminution in value of the land returned to the state that is caused by the person seeking the credit.

Sec. 38.14.050. SALE OF LAND BY PUBLIC AUCTION. (a) Within 60 days after the effective date of this Act, the department shall select not more than two percent of state land to be sold at public auction as provided in this section. The department shall include in the initial selection all land that the department has, before the effective date of this Act, identified for disposal and included in the land disposal bank. After the initial two percent has been offered for sale, the department shall select additional land for sale under this section until the requirement of AS 38.14.010(a) has been met. Not more than one percent of state land may be included in any one subsequent selection under this subsection.

(b) At least once every 90 days until the land is disposed of, the department shall offer for sale by public auction not less than 200,000 acres of land selected under (a) of this section. Except as provided in AS 38.14.130 and 38.14.140, the land shall be in parcels of not less than 40 acres nor more than 160 acres, more or less. Upon payment in full of the purchase price and the security required by AS 38.14.190 by cash, certified check, or money order, a successful bidder at the auction shall receive fee simple title to

the land. However, this land may not be sold or leased to another person until a survey has been completed and recorded. A minimum bid of not less than \$100 per acre shall be required by the department for purchase at public auction.

(c) The land offered for sale under (b) of this section shall be offered based upon an aliquot parts description. The state is not required to provide a survey by a licensed surveyor.

(d) A parcel of land offered for sale at public auction under (b) of this section that is not sold at the auction may be purchased after the sale for not less than \$100 per acre by residents for a 90 day period. After this, these lands are open to all buyers, resident and non-resident alike for \$100 per acre.

(e) The department shall offer a purchaser of land under this section the option of paying in full at time of purchase or on terms, requiring 10 percent down payment and payment of the balance of the purchase price over the next 15 years at an annual interest rate of not more than six percent.

(f) An interest in land acquired under this chapter is freely transferable and may be sold or leased.

(g) A purchase of land under this chapter that is made in violation of AS 38.14.030 - 38.14.040 is void as of the date of sale and does not give the purchaser, a subsequent purchaser, a lessee, a devisee, or other person a right to the land, an interest in the land, or the return of the purchase price paid to the state for the land.

Sec. 38.14.060. LEASES OF LAND. (a) Beginning 60 days after the effective date of this Act, a person may lease a parcel of land that has not been selected for auction by the state under AS 38.14.050 of not less than 40 acres nor more than 160 acres, more or less, except as provided in AS 38.14.130 and 38.14.140, and by filing with the department the certification required under AS 38.14.030, the legal description of the land sought to be acquired by lease, by aliquot parts description, a statement of the length of lease, not greater than 55 years, desired by the person, and payment in cash, certified

check, or money order of the (1) first year's lease fee of \$10 per acre, but not less than \$400 per parcel, and (2) security deposit required by AS 38.14.190. Within 30 days of filing, the department shall notify the person if the land selected is available for lease. If the land is available for lease, the department shall at the time of notification issue to the person a lease that complies with the requirements of this chapter. If the land is not available for lease, the department shall refund the first year's lease fee to the person. Annual lease fees may increase after ten years.

(b) A lease issued by the department under this chapter must contain a provision permitting the lessee to purchase the land subject to the lease anytime after one year has elapsed since the issuance of the lease. A purchase of leased land under this section shall be at the fair market value of the land as agreed on between the buyer and seller, but not less than \$100 per acre. Purchase terms are the same as in AS 38.14.050(e).

(c) A lease acquired under this section is freely transferable to another resident of the state who meets the requirements of AS 38.14.030, and may be sold or subleased and is not terminated by the death of the lessee. However a survey must be completed and recorded prior to any transfer.

(d) A lease of land acquired by a person in violation of AS 38.14.030 - 38.14.040 is void as if the lease had never been entered into by the state and does not give the lessee or a subsequent purchaser, sublessee, or devisee, any right to the land, the purchase of the land, or the refund of payments made under the lease.

(e) Before issuing a title under this section, the department may require the preparation of an appraisal of the land sought to be purchased. The lease holder shall provide and pay for the appraisal and this shall be considered the fair market value.

Sec. 38.14.070. **RESTRICTIONS ON REMOVAL OF SURFACE RESOURCES.** (a) A person purchasing land under this chapter, for the first three years immediately following the purchase of the land, or a person leasing land under this chapter

during the term of the lease, may not remove timber, gravel, or other surface materials from the land except for

- (1) personal use on the land; or
- (2) exchanges with adjoining landowners for personal use on the adjoining

land.

(b) After three years following the purchase of land under this chapter, a person may remove timber, gravel, or other surface materials for any purpose, except that if it is for a commercial purpose other than as provided in (a)(1) - (2) of this section, the person shall pay the state a royalty fee equal to 20 percent of the proceeds received from the removal.

Sec. 38.14.080. SCHOOLS. The state, a municipality, or a rural educational attendance area does not have a duty to provide on-site schools for a parcel of land purchased or leased by a person under this chapter.

Sec. 38.14.090. RIGHTS-OF-WAY AND EASEMENTS. The state shall retain a 100 foot right-of-way along each section line of land sold or leased under this chapter and shall reserve other rights-of-way and easements as are necessary to reach and use public water and public and private land.

Sec. 38.14.100. ROADS; ACQUISITION BY STATE. (a) The state does not have a duty to construct or maintain roads to a parcel of land purchased or leased by a person under this chapter. A person acquiring land by purchase or lease under this chapter may construct a road from an existing state or municipal road to the land if the proposed route is approved by the department or a municipality and the road is constructed to standards set by the Department of Transportation and Public Facilities.

(b) A road constructed by a person who purchases or leases land under this chapter that is built on the state's section line right-of-way is open to the public and the purchaser or lessee of the land may not exclude the public from its use.

(c) A road constructed by a person who purchases or leases land under this chapter becomes a public road, without compensation to the builder of the road, if the state or municipality agrees to accept the road and undertake responsibility for the maintenance of the road.

Sec. 38.14.110. **APPLICABILITY OF THE ALASKA COASTAL MANAGEMENT PROGRAM.** Notwithstanding any other provision of law, land available for disposal under this section is not subject to AS 46.40 (Alaska Coastal Management Program).

Sec. 38.14.120. **LAND NOT SUBJECT TO SALE OR LEASE.** The following land is not subject to sale or lease under this chapter:

(1) land identified under AS 16.20, AS 41.15.300 - 41.15.330, AS 41.17, AS 41.21, and AS 41.23;

(2) land used as an administrative site by the state.

Sec. 38.14.130. **LIMITATION OF ACQUISITION OF LAND NEAR WILLOW.** The department shall identify an area of not more than 66,000 acres near Willow within which area a person may not acquire by purchase or lease under this chapter more than 40 acres of land, more or less.

Sec. 38.14.140. **SOUTHEAST ALASKA LAND SOUTH OF 60 DEGREES NORTH LATITUDE.** (a) A person may not purchase or lease more than one acre of land, more or less, under this chapter in Southeast Alaska south of 60 degrees north latitude.

(b) Notwithstanding AS 38.14.050 and 38.14.060, the department shall offer land for sale under AS 38.14.050 and a person may lease land under AS 38.14.060 in one acre parcels, more or less, in the area described in (a) of this section.

Sec. 38.14.150. **SURVEYS.** A person who acquires land by purchase or lease under this chapter shall, within 10 years of acquiring the land, have the land surveyed

at the person's expense. The person shall provide a copy of the survey to the state without charge.

Sec. 38.14.160. AGRICULTURAL LAND. Notwithstanding AS 38.14.050 and 38.14.060, land that has been previously classified as agricultural by the department and that has been previously sold or leased as agricultural land, shall be first offered to the current lessees of the land, if any, subject to the requirements of AS 38.14.030 and 38.14.040, for purchase or lease under this chapter.

Sec. 38.14.170. LAND SUBJECT TO EXISTING LEASES. (a)
Notwithstanding AS 38.14.050 and 38.14.060, land that is subject to an existing surface estate lease or subsurface or mining lease shall be first offered to the current lessee of the land, if any, subject to the requirements of AS 38.14.030 and 38.14.040 for purchase or lease under this chapter.

(b) To accept an offer under (a) of this section, the lessee shall purchase or lease the land within 180 days of the offer at the fair market value of the land, but not less than \$100 per acre. The department may require the preparation of an appraisal at the lessee's expense.

Sec. 38.14.180. NO LIABILITY FOR CONTAMINATION OF SOIL OR WATER BEFORE PURCHASE OR LEASE. Notwithstanding any other provision of law, a person who purchases or leases land under this chapter is not liable under state law for contamination of soil or water occurring before the person's purchase or lease.

Sec. 38.14.190. SECURITY DEPOSIT. A person who purchases or leases land under this title shall at the time of the purchase or lease pay to the state a nonrefundable security deposit in the amount of \$100 for 40 acres or less purchased or leased to ensure the person's compliance with the requirements of this chapter and other laws. The payment of this security deposit does not immunize the person from liability for violations of this chapter or other laws nor limit ability or authority of the state to require compliance with and to enforce the laws of the state.

Sec. 38.14.200. ADDITIONAL TERMS AND CONDITIONS. The department may not impose terms and conditions in excess of those provided in this chapter or by the constitution.

Sec. 38.14.210. APPROPRIATIONS OF MONEY RECEIVED. The legislature may appropriate money received from sales or leases of state land under this chapter to the Alaska Permanent Fund, and / or for continuation of the Senior Citizen Bonus program at the original amount (\$250).

Sec. 38.14.220. PROPERTY TAXES. All Lands sold or leased under this Chapter 14 shall be taxed at the rate of two percent annually, whether such lands be transferred, sold or leased to other parties or not, and no lands under this chapter shall be exempt from taxes.

In the organized Boroughs, the land taxes shall be collected and retained by the Boroughs. However, if the Borough declines to do so, then the State shall.

In the unorganized Boroughs, the land taxes shall be collected by the State.

Any tax increase would require a vote of the people.

Sec. 38.14.230. GEOPHYSICAL MAPPING OF THE PUBLIC LANDS. The State shall provide aerial geophysical mapping of the public lands.

Sec. 38.14.240. TRAILS AND RIGHTS-OF-WAYS IDENTIFIED. The State shall identify all trails and Rights of Ways across lands, but this shall not delay or interfere with the transfer of land to a buyer or a lessee.

Sec. 38.14.250. LIMITATION ON PARKS AND OTHER RESERVES. No additional State lands may be placed in Parks, game refuges, forests, sanctuaries, or other reserve categories for any reason without a vote of the people.

Sec. 38.14.260. TAKING OF PRIVATE PROPERTY. Whenever the State or local government takes private property for the public good - whether by physical

possession, or re-zoning, or by other means, or any action that decreases the value of the private property, then such government must estimate the "takings" costs to establish a basis for reimbursement to the private owner.

Sec. 38.14.300. DEFINITIONS. In this chapter,

- (1) "commissioner" means the commissioner of natural resources;
- (2) "department" means the Department of Natural Resources;
- (3) "recorder" and "recording district" have the meanings given in AS

40.17.900.

Sec. 2. AS 29.25 is amended by adding a new section to read:

Sec. 29.65.075. DISPOSAL OF LAND CONVEYED; REVERSION TO STATE OF UNDISPOSED LAND. A municipality that has received or receives land from the state under this title shall, within five years of the effective date of this Act, sell 50 percent of the land received to private parties, and within 10 years of the effective date of this Act shall sell 66 percent of the land received to private parties. If a municipality fails to sell land as required by this section, all of the land the municipality has received from the state that has not been sold reverts to state ownership and is available for sale or lease as provided in AS 38.14.

*Sec. 3. If two or more persons file for a lease on the same parcel of land under AS 38.14.060 within the first seven days after 60 days after the effective date of this Act, the department shall conduct a lottery for those filing within 30 days. The winner of the lottery shall be entitled to lease the land if the person otherwise meets the requirements of AS 38.14.030 and 38.14.040.